



General Assembly

January Session, 2013

***Raised Bill No. 6548***

LCO No. 3294



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:  
(INS)

***AN ACT CONCERNING ANNUITY CONTRACTS AND LONG-TERM CARE BENEFITS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-458 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2013*):

3 (a) [On and after June 16, 1989, any] Provided such company is  
4 licensed for both life and health insurance in this state, any life  
5 insurance company doing business in this state may issue life  
6 insurance policies or certificates, or riders or endorsements thereto,  
7 [which] that provide, within the terms and conditions of the policy or  
8 certificate, long-term care benefits as described in section 38a-501 [,  
9 provided such company is licensed for both life and health insurance  
10 in this state] or 38a-528, except as specified in subsection (c) of this  
11 section. The Insurance Commissioner may adopt regulations, in  
12 accordance with chapter 54, to implement the provisions of this  
13 section. [Prior to the effective date of such regulations, any such policy,  
14 certificate, rider or endorsement may be filed with the commissioner  
15 and may be approved at the commissioner's discretion.]

16 (b) Provided such company is licensed for both life and health  
 17 insurance in this state, any life insurance company doing business in  
 18 this state may issue annuity contracts or certificates, or riders or  
 19 endorsements thereto, that provide, within the terms and conditions of  
 20 the contract or certificate, long-term care benefits as described in  
 21 section 38a-501 or 38a-528, except as specified in subsection (c) of this  
 22 section, and that waive the surrender charges under such contract or  
 23 accelerate a specified portion of the annuity value of such contract.

24 ~~[(b)]~~ (c) Long-term care benefits provided pursuant to subsection (a)  
 25 or (b) of this section shall not be subject to the requirements of  
 26 subsection (b) of section 38a-501 or subsection (b) of section 38a-528.

27 ~~[(c)]~~ (d) No insurance producer shall sell any such policy, certificate,  
 28 rider or endorsement unless the producer is licensed to sell both life  
 29 and health insurance in this state.

30 ~~[(d)]~~ (e) A life insurance policy or annuity contract with long-term  
 31 care benefits issued pursuant to this section may include a rider that  
 32 provides long-term care benefits that become payable upon exhaustion  
 33 of [benefits] a specified amount of the death benefit under the life  
 34 insurance policy or a specified amount of the annuity value of the  
 35 annuity contract. [The] Any elimination period limitations shall apply  
 36 only to the acceleration phase of the life insurance policy or annuity  
 37 contract to which the rider is attached. Such rider shall not contain an  
 38 additional elimination period and may calculate the waiver of  
 39 premium from the time benefits are payable under such rider.

40 Sec. 2. Section 38a-458a of the general statutes is repealed. (*Effective*  
 41 *October 1, 2013*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2013</i>	38a-458
Sec. 2	<i>October 1, 2013</i>	Repealer section

***Statement of Purpose:***

To allow a life insurance company to accelerate the value of an annuity to pay long-term care expenses.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*